MALLIKARJUN): (a) Consequent upon the disintegration of the former Soviet Union, there was a degree of dislocation in our defence transactians. Government have since received assurances and expressions of interest with regard to maintenance of cooperation with India in the defence sector from Russia, the primary successor State of the former Soviet Union. Continuous contact is being maintained to ensure a smooth flow of supplies. In this context, the Government of India has signed an Agreement of Defence Cooperation with the Government of the Russian Federation, on 28th January 1993, which includes a provision for guaranteed supply of Defence equipment related items/spare parts, product support and comprehensive services needed for maintenance, repairs, overhaul and modernisation.

(b) and (c) Overhaul facilities for MIG-29 aircraft are being set up in India with Russian assistance. Once this is completed our dependence on Russia will reduce to a considerable extent. Simultaneously, Government is also pursuing other measures to sustain defence imports from other sources and to strengthen the indigneous production facilities to ensure that the defence requirements of the country are fully met.

Indo-US cooperation on defence matters

607. SHRI KRISHNA KUMAR BIRLA:

SHRI CHIMANBHAI MEHTA:
SHRI S. VIDUTHALAI VIRUMBI:

SHRIMATI MIRA DAS:

Will the PRIME MINISTER be pleased to state:

(a) whether Government have recently entered into Defence Cooperation with the USA; and

(b) if so, what are the details thereof, stating the areas of Indo-US defence cooperation and the options open to India?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MALLIKARJUN): (a) and (b) During the visit of the US Defence Secretary to India in January 1995, an 'Agreed Minute' use' on Defence relations between India and the USA was signed. It provides for civilian to civilian inter action, ser. vice-to-service cooperation and co-operation in the field of research and development. This is in line with Government stand that steps towards improvement of our bilateral defence relations with the US, will be taken in a manner consistent with our national interest.

Unsatisfactory management support by BEML to VIL

608. SHRI G. Y. KRISHNAN: Will the PRIME MINISTER be pleased to state:

(a) whether the Board for Industrial and Financial Reconstruction has criticised the public sector Bharat Earth Movers Ltd. (BEML) for its "Highly unsatisatory" management support to its subsidiary Vigyan Industries Ltd. (VIL); and

(b) if so, what steps Government proposes to take to improve the role of BEML as a holding company or alternatively to revive the VIL as an independent unit, as per draft rehabilitation scheme approved by the BIFR?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MALLIKARJUN): (a) and (b) The Board for Industrial and Financial Reconstruction in its draft rehabilitation scheme for Vigyan Industries Ltd (VIL) published in February 1995 for inviting objections/suggestions has highlighted several reasons for sickness of VIL. These include, inter alia, outdated technology and old machinery, locational disadvantage, power shortage, under utilisation of capacity and inadequate management support extended by BEML (which has been contested by BEML). The Board has evolved a comprehensive rehabilitation package covering financial restructuring,